

Opportunities of Healthy Vending Machine Entrepreneurship in KSA (Jeddah)

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Abstract

Vending machines exist in many countries, and in more recent times, specialized vending machines that provide less common products compared to traditional vending machine items have been created. The Global Vending Machine Market size is expected to reach \$5.4 billion by 2023, A recent study anticipate rising a market growth of 15.8% CAGR during the forecast period stated by KBV Research (2018). Saudis Consumers are increasingly more conscious of what they eat and drink, thanks to a higher level of education and the rise of the internet and social media. Ongoing population growth, particularly among the under aged 30 demographics, as well as anticipated ongoing development in the economy is likely to boost spending power and encourage more consumers to seek products that will help maximize their wellbeing. The Saudi Food and Drugs Authority (SFDA) has launched a strategic plan for healthy food in the Kingdom, which involves determining allowable rates of sugar, salt and saturated fat in processed food. Healthy vending machine market is a golden opportunity for entrepreneurship and social change by adding healthier choices for employee, students and patents in the society.

Keywords: Entrepreneurship, Vending Machine, Market for Healthy Vending Machine.

Introduction

The chief characteristics of the entrepreneur are identified, one of which is the ability to combine already existing resources in creative ways as Asmita P. Bodhale, Prof. J. S. Kulkarni (2017) said one of this resource is according to Schumpeter, Joseph A (2000) a Vending Machine (VM) is a machine which can automatically vend different products according to user demand Vending machine is a machine which uses digital and mechanical energy or mechanisms uses actuators etc. in order to dispense items like medicines, food products, passes or licenses to users automatically means without man power on payment into slot. The Global Vending Machine Market size is expected to reach \$5.4 billion by 2023, rising at a market growth of 15.8% CAGR during the forecast period stated by KBV Research (2018) Sophia V. Hua MPH, Jeannette R. Ickovics (2016) found that Unfortunately, items found in vending machines tend to be processed foods and beverages high in salt, sugar, and/or fat. Snack vending machines are part of an obesogenic environment that promotes easy access to energy-dense, nutrient-poor foods. Typically, vending machines offer few healthy options.¹ Thus, they make the unhealthy choice the easy choice, which is contrary to the goals of public health nutrition.² They are therefore an appropriate target for interventions to improve the nutrition environment were concluded by Gorton, Delvina & Carter, Julie & Cvjetan, Branko & Mhurchu, Cliona. (2010). According to Carrad, Amy & Louie, Jimmy Chun Yu & Milosavljevic, Marianna & Kelly, Bridget & Flood, Vicki. (2015).

Consumers are interested in initiatives to improve the nutritional quality of items available from vending machines, and about 80% are willing to pay more for the same amount for healthier products.

Objective of the Study

The objective of the present study is to examine different opportunities and challenges related to healthy vending machine entrepreneurship opportunities in KSA. In addition, this paper also examines the initiatives taken by various organizations in the existing Industry for creating awareness and affordability in this direction, as well as the future prospects in this segment.

Hypothesis

Lacking Entrepreneurial Initiatives in Healthier vending machine is due underestimating the current and upcoming costumers demands for healthy product and Concerns that healthier vending initiatives could lose money.

Entrepreneurial Opportunities: Saudis Consumers are increasingly more conscious of what they eat and drink, thanks to a higher level of education and the rise of the internet and social media. This has led to a considerable change in lifestyle for many consumers, who are choosing to eschew packaged food and beverages that are high in sugar or fat and are instead opting for free from sugar or free from fat options. Most categories in the Health and Wellness market are set to register growth over the forecast period, with the strongest growth being achieved by categories that offer the most natural propositions. Ongoing population growth, particularly among the under aged 30 demographics, as well as anticipated ongoing development in the economy is likely to boost spending power and encourage more consumers to seek products that will help maximize their wellbeing. The Saudi Food and Drugs Authority (SFDA) has launched a strategic plan for healthy food in the Kingdom, which involves determining allowable rates of sugar, salt and saturated fat in processed food.

Case study -1 'RootsKSA':

Roots is locale company which specialize in selling healthy food, presenting their products a variety of (Salads)in a jar sold by vending machines, about roots as their official website says: "Where can I get fresh tasty salad on the go?? This is the spark that led to the creation of Roots. In a world where sugar loaded meals and snacks are everywhere you look, the idea of a colorful,

healthy, and tasty mixture of fruits and vegetables won't even cross your mind. We are here to change the status quo. Prepared daily and distributed fresh, we want the healthier, tastier, and full of nutrition option to be closer to you than ever before. The next time you need a snack or a meal on the fly, we want you to think of Roots' salad jars rather than croissants, cupcakes, or fatty burgers; in other words, we want you to think fresh.”

Roots located in universities across Jeddah such as Effat University, Abdul-Aziz University and university of business and technology although Concerns that healthier vending initiatives could lose money is a commonly cited barrier to broader implementation as (Grech & Allman-Farinelli, 2015; Terry-McElrath et al., 2014). Viana, Joseph & Leonard, Stephanie & Kitay, Bob & Ansel, Daryl & Angelis, Peter & Slusser, Wendy. (2017) concluded that as vending machines are increasingly being recognized as part of the broader food environment, governments and institutions are looking to implement healthier vending policies. In addition to an actionable set of recommendations, such as nutrition criteria, methodologically robust evaluations of real-world case studies are needed to demonstrate these policies are effective, feasible, and financially sustainable.

The findings of this study suggest that health-promoting interventions can influence vending machine consumers without compromising revenue or profit. We encourage institutional leaders to use this study as an opportunity to engage public health and business partners to lend their respective expertise in establishing healthy and viable food environments. Also roots vending machine available at king Abdul-Aziz university hospital Although many factors influence food-purchasing decisions, the convenience and availability of vending machines may lead to increased purchasing of vending machine products in health care facilities. This may be especially true if vending machines are the only source of foods or beverages available in a facility or cafeterias and coffee shops are not open 24 hours/day. Work on improving food and beverage environments in health care facilities is an evolving area, and there are great opportunities for health care facilities to become model environments that support obesity- and chronicdisease-prevention strategies.

Although not all health care facility environments are aimed primarily at children, community obesity-prevention programs are partnering with health care facilities to create seamless environments that support healthy eating and physical activity for children and their families. Future research is needed to assess how best to change the health care food environment and how these changes affect staff, visitor, and patient health is what Sally Lawrence, Maria Boyle, Lisa Craypo and Sarah Samuels (2009) research found and concluded.

Case study -2 ‘Del Monte Foods’:

Del Monte Foods, Inc is a North American food production and distribution company headquartered at 3003 Oak Road, Walnut Creek, California, USA.

Del Monte Foods started a fresh fruit and vegetable vending machine, about Del Monte from their official website “Our new fresh fruit and vegetable vending line is designed to meet the needs of today’s health conscious, on-the-go consumer. It offers vending operators an innovative solution to meet society’s growing demand for fresh, healthy snack alternatives in vending machines. With distribution centers as well as fresh cut and re-pack facilities strategically located throughout many key cities and states, we can provide fast, safe and convenient distribution of our entire product line. Del Monte Fresh Produce Vending Machine the Del Monte vending machine offers consumers in workplaces accessible and healthier eating choices. The Del Monte vending machine features a variety of conveniently packed and ready-to-eat fresh fruit and vegetable snacks, as well as juices and sandwiches. Products available only in Europe, the Middle East and Africa. “Del Monte located in variety of locations around Jeddah.

Conclusion

In conclusion, healthy vending machine market is a golden opportunity for entrepreneurship and social change by adding healthier choices for employee, students and patents in the society as this study found the growing global market for vending machines and the government support combined with increased demand from customers for healthy life style and limited competition currently available at the Saudi healthy vending machine market.

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